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Agricultural Marketing Service

Poultry Programs

Market News Branch

Mexico Poultry

Mexico's chicken meat production is forecast to grow 3.3 percent during MY 2002. Population growth, affordable prices, and a stable exchange rate will allow for growth in poultry meat consumption. Turkey meat production is forecast to increase 2.7 percent and only represents about 10 percent of total consumption. Broiler production remains far more profitable than turkey due to lower production costs resulting from the vertical integration of the broiler industry. On the other hand, egg production is not expected to increase much for MY 2002 due to overproduction problems in the last two years and persistent low market prices.

2002 NAFTA Tariff Rate-Quotas in Metric Tons

Whole Turkey	2,533.3
Other Whole Poultry	16,467.9
Turkey Parts and Offal	35,469.3
Other Poultry Parts and Offal	31,669.1
Mechanically Deboned Meat	34,202.7
Total	120,342.6

Chicken and turkey meat are the main poultry products imported by Mexico. The largest poultry imports continue to be in the form of mechanically deboned meat (MDM) and turkey parts for use in the sausage and cold meat industry. Mechanically deboned meat (MDM), particularly mechanically deboned chicken (MDC), is imported by Mexican processors as an input for the domestic sausage and cold-cuts industries. The domestic production of MDC is still incipient, approximately 10,000 MT, and the leading meat packers account for more than 80 percent of the total MDC imports. As local production of MDC is not enough to meet demand, the Mexican government has continued to waive the enforcement of the original TRQ for this product. Imports of MDM for MY 2002 are forecast to continue to grow over the NAFTA quotas. However, the Mexican pork industry continues to lobby against higher NAFTA TRQ allocations for MDM imports.

Mexican Imports, Selected Poultry Products, in Metric Tons

	Fresh/Chilled		Frozen			
	Chicken		Chicken		Turkey	
	MDC	Parts	MDC	MDT	Parts	Parts
U.S.	67,924	32,047	49,083	17,397	46,920	61,573
MDC-Mechanically Deboned Chicken						
MDT-Mechanically Deboned Turkey						

Egg production for MY 2002 is forecast to only increase 2.5 percent from MY 2001. The slow growth is a result of egg overproduction during the past three years. Fresh table egg imports beyond the border region have remained almost nil. The Tariff Rate Quota (TRQ) auctions are of little interest to Mexican importers due to the oversupply and so they are left unused. There is potential demand for U.S. processed eggs, including liquid, frozen and dried products. Production of processed egg products in Mexico continues to be very small, approximately 5 percent of total production.

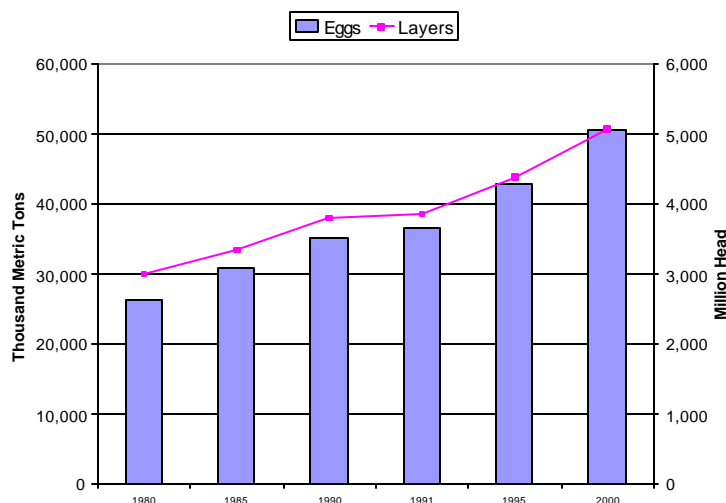
Source: USDA/Foreign Agricultural Service

World Egg Production

In 2000 five billion layers produced 50,677,781 metric tons of eggs. Between 1990 and 2000, the number of layers increased 34 percent while eggs produced increased 44 percent. Yields in 2000 were eight percent higher than 1990 and 14 percent higher than 1980. Feed conversion rates for poultry have improved 30-50 percent over the past decade and productivity increases came from improved genetics and better management. Total production by 2030 is estimated at 71 million tons for developing countries compared to 21 million tons in the developed countries. If China is excluded, the developing countries' share of egg production rose from 15 percent in 1964/66 to 26 percent in 1995/97 and is estimated at 41 percent in 2030.

Year	Production (Mt)		Layers (1000)	
	1990	2000	1990	2000
China	6,560,750	19,234,960	774,148	1,927,820
Brazil	1,230,401	1,400,000	273,000	330,000
France	886,800	1,050,000	62,300	63,000
Germany	985,000	880,000	69,600	50,100
India	1,161,000	1,782,000	115,000	152,000
Japan	2,419,000	2,508,000	136,961	143,051
Korea	393,320	464,901	42,430	51,934
Malaysia	291,700	413,000	38,900	55,000
Pakistan	219,500	331,491	41,000	61,000
South Africa	212,701	339,000	18,000	28,000
Spain	666,640	522,000	49,171	42,000
Thailand	449,100	514,563	62,400	75,000
Turkey	384,930	660,000	52,541	60,000
UK	622,270	587,640	43,580	30,800
US	4,034,000	5,011,000	270,946	328,824
World	35,273,626	50,677,781	3,793,176	5,066,841

World Hen Egg Production and Number of Layers 1980-2000



Source: Food and Agricultural Organization, United Nations

Inspected Egg Products-U.S. & Canada Export/Import Trade**U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending Sep 08, 2001

Year-To-Date

	2001	2000 /1	2001	2000
Liquid	240	241	8,018	5,012
Frozen	0	0	78	126
Dried	0	0	40	376
Total	240	241	8,136	5,514

U.S. Imports From Canada, in Pounds (000) (Preliminary)

Week Ending Sep 08, 2001

Year-To-Date

	2001	2000 /1	2001	2000
Liquid	40	85	3,737	3,996
Frozen	0	40	1,003	609
Dried	0	0	473	654
Total	40	125	5,213	5,259

Inspected Shell Eggs**U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending Sep 08, 2001

Year-To-Date

	2001	2000 /1	2001	2000
Jumbo	0	278	87	1,605
Extra Large	3,778	2,044	45,689	35,738
Large	3,343	2,157	88,234	100,074
Medium	1,650	90	33,868	24,819
Ungraded	8,160	12,690	265,370	269,644
Misc	1,546	750	66,320	9,387
Total	18,477	18,009	499,568	441,267

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

LIVE POULTRY SLTRD UNDER INSPECTION W/E 08-Sep-01
(PRELIMINARY) **U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,633	1,320	2,953
LAST WEEK	1,924	1,410	3,334
SAME WEEK YR AGO	1,489	1,296	2,785
TO-DATE/2001	63,489	49,516	113,005
TO-DATE/2000	69,539	51,624	121,163

U.S. FOWL SLAUGHTERED IN CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	234	0	234
LAST WEEK	371	16	387
SAME WEEK YR AGO	235	20	255
TO-DATE/2001	15,865	243	16,108
TO-DATE/2000	16,967	498	17,465

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,867	1,320	3,187
LAST WEEK	2,295	1,426	3,721
SAME WEEK YR AGO	1,724	1,316	3,040
TO-DATE/2001	79,354	49,759	129,113
TO-DATE/2000	86,506	52,122	138,628

CENTRAL REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

EASTERN REGION MECHANICALLY SEPARATED CHICKEN

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

CHICKEN 14-SEP-2001
 — PRICES — VOLUME —
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

CHICKEN, WITH SKIN ADDED

— PRICES — VOLUME —
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	18.00	163,200	-
WTD AVERAGE		18.00		
15-20%				
RANGE	15.00-16.00	12.00-16.00	834,000	571,200
WTD AVERAGE	15.50	14.22		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

CHICKEN 14-SEP-2001
 — PRICES — VOLUME —
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	20.00-21.50	-	225,000	-
WTD AVERAGE	20.17			

CHICKEN, WITH SKIN ADDED

— PRICES — VOLUME —
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	17.25-20.00	17.00-20.00	916,000	256,000
WTD AVERAGE	17.45	18.69		
15-20%				
RANGE	12.75-18.00	11.00-17.00	1,296,600	626,000
WTD AVERAGE	15.79	15.32		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 14 SEPTEMBER 2001.

The trade sentiment on fresh tom breast meat was steady to instances barely steady. Demand was in a full range, mostly fair. Offerings of fresh tom breast meat ranged from light to fully adequate, mostly adequate with instances of sellers noted looking for bids. Trade sentiment on wing meat, breast trim, scapula and fresh destrapped tenderloins was fully steady to firm for the light to fair demand. Offerings limited. Trade sentiment on 15-20% mechanically separated turkey (MST) was steady to fully steady for the light to adequate offerings. The tom bulk parts was undertone strong and hen parts and 4-8 lb. breasts were steady to fully steady, trading centered on a fair volume of fresh MST for domestic shipments.

FRIDAY, SEPTEMBER 14, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	36.00		36.00	40	35.43	184
WINGS FULL-CUT - TOMS		F	29.00	40		
WINGS, V-TYPE, TOM						
TAILS		F	29.00	80		
MECHANICALLY SEPARATED 2/	17.00-19.00		18.33	60	17.41	232
THIGH MEAT - FROZEN	69.00-70.00		69.86	140	68.88	320

THURSDAY, SEPTEMBER 13, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	36.00		36.00	40
WINGS FULL-CUT - TOMS		F	29.00	40
WINGS, V-TYPE, TOM				
TAILS		F	29.00	80
MECHANICALLY SEPARATED 2/	17.00-18.00		17.33	120
THIGH MEAT - FROZEN		W	68.11	180

WEDNESDAY, SEPTEMBER 12, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	35.00		35.00	104
WINGS FULL-CUT - TOMS		F	29.00	40
WINGS, V-TYPE, TOM				
TAILS		F	29.00	80
MECHANICALLY SEPARATED 2/	16.50		16.50	52
THIGH MEAT - FROZEN	66.00-70.00		68.11	180

*****NOTICE*****

**DUE TO OUR NATIONAL TRAGEDY,
THERE WAS NO REPORT ISSUED TUESDAY, SEPTEMBER 11, 2001.**

MONDAY, SEPTEMBER 10, 2001**EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	32.89	280
WINGS FULL-CUT - TOMS		F	29.00	40
WINGS, V-TYPE, TOM				
TAILS		F	29.00	80
MECHANICALLY SEPARATED 2/		F	17.00	80
THIGH MEAT - FROZEN		F	66.10	408

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.

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